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C O N F I D E N T I A L SECTION 01 OF 04 LISBON 002689

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SUBJECT: (C) WHY PORTUGAL IS SOFT ON RUSSIA

Classified By: AMBASSADOR THOMAS STEPHENSON, REASONS 1.4 (B,D)

11. (C/NF) SUMMARY: Portugal has shown itself to be notably reluctant to criticize Russian misbehavior in recent months. There is no single reason for this, but rather a combination of Portugal's new economic diplomacy, a desire to find a "balance" on tough issues, and some preconceptions on the part of a few highly-placed individuals in Portugal's personality-driven foreign policy apparatus. We believe that Portugal's occasional softness on Russia and cautious nature should not obscure the fact that it remains a committed ally of the US, the EU, and NATO. While its impulses are not likely to change in the short to medium term, we may be able to overcome them in the longer term with an approach focused on how Portuguese, European, and transatlantic interests are at stake when Russia misbehaves. END SUMMARY.

12. (C/NF) When Russia acts up -- in cases ranging from the Estonia cyber attacks to Kosovo to the invasion of Georgia -- we are often disappointed by the lack of vigorous support we receive from Portugal, a founding NATO member and self-described stalwart ally. It can appear that Portugal is pro-U.S. ideologically but supports Russia tactically. While there is no single explanation for these tepid responses, there are a number of factors at play, illustrated by the examples below. Indeed, as Russian Foreign Minister Lavrov will visit Lisbon in November, we expect Portugal to miss another opportunity to press the Russians on issues of importance to us.

CASE STUDIES: GEORGIA, HUMAN RIGHTS, OSCE, AND UKRAINE

13. (C/NF) Georgia: While the GOP joined EU consensus to condemn Russia's disproportionate actions in Georgia, it followed rather than led, waiting until consensus was reached in Brussels. Even then, the MFA communique said only that the GOP aligned itself with the EU statement without mentioning what that EU statement contained. Moreover, the MFA statement was in Portuguese only; no translation was released, as is the norm for MFA statements. And there were no follow-up statements, even as the situation on the ground unfolded.

14. (C/NF) Human Rights in Russia: At the 2007 EU-Russia Summit (during the Portuguese EU presidency), a journalist asked Prime Minister Socrates if his decision to minimize human rights as a summit topic in order to have a friendlier atmosphere had "paid off." Socrates was visibly frustrated with the perception that he had minimized human rights issues, and then Putin masterfully exploited the moment by pointing out that he and Socrates had indeed discussed human rights, and that Russia was ready to help with the EU's human

rights problems.

¶5. (C/NF) OSCE Election Observation: Also at the 2007 summit, many western nations were concerned about Russia's reluctance to allow OSCE observers at its elections. The MFA's then-Political Director Bramao Ramos told us the Russians had told him privately on his recent trip to Moscow that an extended OSCE mission of 90 days would be insulting to a developed member state of the OSCE. Bramao Ramos continued that, "They are not an emerging country, you know. I can understand the point of view." He said the Russians openly told him that their slowness in responding to the OSCE was a delaying tactic to avoid the kind of mission the OSCE wished to conduct, and Bramao Ramos saw no need to object.

¶6. (C/NF) Cold Shoulder to Kiev: Ukrainian embassy officials in Lisbon tell us that their many overtures to the GOP are rebuffed with little explanation, and given the large Ukrainian population in Portugal (roughly 10% of the immigrant population here), there are presumably areas for cooperation. MFA officials tell us it would be difficult to engage in high-profile programs with Ukraine without "balancing" them with programs for Russia, for fear of upsetting Portugal's Ambassador to Moscow, who is also accredited to Kyiv and Tblisi. The Ukrainian Ambassador to Lisbon has stressed that, even during his President's visit to Lisbon, the Russians received deliverables. "They have to give them something every time they give us something," he sighed.

THREE PILLARS OF PORTUGUESE FOREIGN POLICY

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¶7. (C/NF) Prime Minister Socrates and President Cavaco Silva -- who represent rival political parties -- both stress that Portugal has three pillars to its foreign policy: the Lusophone world, the European Union, and the trans-Atlantic relationship. Issues not fitting neatly into one of these boxes get little love in Lisbon. This system creates an internal consistency whose logic is not always readily visible to outsiders. Thus, East Timor is of importance to the GOP but the Horn of Africa is not. Rule of law in Guinea-Bissau and Cape Verde is a top priority, but the same issue in Nicaragua is not.

¶8. (C/NF) Afghanistan demonstrates how Portugal develops foreign policy. Portugal eagerly joined ISAF operations when the mission was framed as an Article 5 response to an attack on a NATO ally; this was clearly supported by one of the foreign policy pillars. As the mission continued, it was framed as an example of the future of the trans-Atlantic alliance; an argument Portugal also supported. Portugal's enthusiasm has waned recently, however, as Afghanistan is viewed now primarily as a regional stability activity in a region in which Portugal has no strategic interests.

NEW ECONOMIC DIPLOMACY

¶9. (C/NF) While these pillars guide Portuguese diplomacy at the strategic level, there is still room to act elsewhere if Portugal's interests are demonstrably at stake. PM Socrates has focused his attention on activist economic diplomacy to improve Portugal's 22 billion euro trade deficit and particularly to diversify energy supplies. To that end, he and his foreign policy circle have developed trade programs with Russia, Algeria, Angola, Libya, and Venezuela, for which the GOP in general and PM Socrates in particular have been widely praised. The only significant exception to the media praise for the GOP's economic diplomacy has been in regard to Angola, which is, of course, part of the Lusophone world so the strategic equities are still in play.

¶10. (C/NF) Portuguese interlocutors openly discuss the need to maintain access to Russian energy at a time when much of Europe is wishing to diversify away from Russia. Portugal is

not looking for direct petroleum exports from Russia, but is interested in Russian-controlled sources elsewhere, including in North and West Africa. The GOP and the Portuguese business community are equally energized in engaging Russian extractive firms for contracts in technology and services. They feel that these efforts would be hindered by Portugal taking a public stance on the Nabucco/South Stream competition, so the GOP remains silent. With the press generally supportive of this approach, look for PM Socrates to stay the course heading towards Autumn 2009 elections here.

THE SEARCH FOR "BALANCE"

¶11. (C/NF) As a small power, Portugal has decided to carve out a niche as an "honest broker" in international relations.

This manifests itself in varied ways, not only in Europe-Russia issues, but also in Europe's relations with Iran and North Africa. Portuguese officials believe that a good ally helps alleviate a crisis through mediation, which is somewhat at odds with our view that in a crisis, allies stand publicly with allies.

¶12. (C/NF) Kosovo may be the issue where Portugal has most disappointed us. During its EU Presidency, Portugal took the lead in making Kosovo an EU question (which brought it briefly within Portugal's own diplomatic pillar of the European Union). But when the EU failed to reach consensus and Portugal rotated out of the presidency, Kosovo defaulted to a bilateral issue outside the three Portuguese pillars, and the GOP delayed eight months before recognizing Kosovar independence. GOP officials offered a buffet of justifications for their tardy recognition, including the timing of Russian, Spanish, Serbian, and Kosovar elections, the timing of UNGA, and even (privately) a protocol slight that reportedly had irritated President Cavaco Silva.

¶13. (C/NF) When the GOP finally recognized Kosovo on October 7, FM Amado simultaneously announced the GOP would support Serbia's call to have the ICJ review the legality of Kosovo independence. That is, the GOP both acted and called its own action into question, all in the quest for "balance". After a furious round of US and UK calls to the MFA, Portugal

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stepped back and abstained on the ICJ resolution. And while we believe the Portuguese were legitimately striving for balance, rather than playing some more nefarious game, the result was to annoy everyone equally. This search for balance is deeply rooted and we expect it to be a continuing irritant regarding policies on Russia, as well as on Venezuela, Cuba, and Iran.

800 POUND MFA GORILLAS

¶14. (C/NF) Another factor is the influence of Portuguese Ambassador in Moscow, Manuel Marcelo Monteiro Curto, one of Portugal's most senior diplomats. According to MFA contacts, he is extremely pro-Russian and is the embassy's only fluent Russian speaker, having served in Moscow previously and being married to a Russian. When Russia recognized Abkhazia and South Ossetia on August 26, Russian officials informed Monteiro Curto before making a public announcement.

¶15. (C/NF) It is worth noting that the Portuguese MFA takes discrete approaches to its regional policy making. For example, foreign policy towards the US is managed almost entirely by the offices of FM Amado and PolDir Nuno Brito, bypassing the Americas Division, whereas Russia policy is generated by Monteiro Curto and his embassy in Moscow. Russia desk officers at the Portuguese MFA must route their papers through Monteiro Curto before sending them to the FM and PolDir. Further, Monteiro Curto is also accredited to seven other states that Russia and Monteiro Curto himself believe to be within Russia's sphere of influence, including Georgia and Ukraine.

¶16. (C/NF) Still worse, Monteiro Curto had, until recently, a kindred spirit in the MFA's Political Director, Vasco Bramao Ramos. Bramao Ramos was recently replaced by Nuno Brito as PolDir, but he carried a particular torch for Venezuela (e.g., urging U.S. interlocutors to view Hugo Chavez as an ideal intermediary for reaching out to Fidel Castro) and was equally unhelpful on Russia. We periodically had to check with FM Amado to ascertain if Bramao Ramos was fairly representing GOP views, and were often told he was not. We are hopeful that with Nuno Brito in place, this pocket of free-lance policy making will wither away.

RECOMMENDATIONS

¶17. (C/NF) Portugal is softer on Russia than we would like. While this is for tactical rather than strategic reasons, this impulse is not going away soon. Portuguese officials will continue to eschew public controversies with Russia and other troublemakers unless they believe a key national interest is being challenged. For policy makers in Washington and allied capitals, the proposition of winning Portuguese support on the range of tough issues boils down to our ability to frame them not as disputes between, e.g., the West vs. Russia or the US vs. Venezuela, but as threats to Portugal's own interests where Portuguese "balance" would be counterproductive.

¶18. (C/NF) Thus, the primary focus of our efforts should be on encouraging Portugal to take a leading role in defining EU policy discussions. Should the Lisbon Treaty be implemented, the lowest common denominator approach to policy would not be so prevalent and those states wanting to be heard will have greater influence. GOP officials have a willingness to overlook Russian misdeeds and to be annoyed with what they term anti-Russia obsessions of EU allies to the east -- Poland in particular -- because they view each of these misdeeds in isolation rather than as part of a pattern.

¶19. (C/NF) Indeed, FM Amado stated publicly that Russian actions in Georgia spurred the GOP to recognize Kosovo, demonstrating that the GOP had finally begun to see Russian actions more broadly. It is far too soon to imagine that this is a preview of continued holistic thinking about Russia, but this is the direction we should encourage. The basic line is that Russian actions, taken in their entirety, are extremely worrying and affect Portugal's national interests. The unified and effective European Union that we want to see -- and which benefits Portugal -- is hampered when our mutual allies to the east are under continuing systematic threat from Russia. We believe that over time Portugal will recognize and accept this idea that Portugal's interests within the European Union and the transatlantic

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relationship are at stake when Russia misbehaves.
STEPHENSON